the amendment I have proposed. Each case of departure comes to the cognizance of Government and has to receive sanction.

Mr. Prince.—I second the amendment. It is very necessary. The sanction of Government insisted on is a guarantee against abuse.

Mr. Kuruvila.—I consider the modification desirable and essential. It promotes the further beneficial use of the land with sufficient safe-guard against any obnoxious use as explained by the mover. The channel may for example be used as a navigation channel.

Carried.

Mr. Thanu Pillai.—No other amendments have been received as far as I am aware. I therefore beg to move that the Bill as now amended be passed and that it come into force on the 1st of Chingom 1073.

The motion was put and agreed to.

LEGISLATIVE COUNCIL REGULATION AMENDMENT BILL.

Mr. Krishnaswamy Rao.—I beg to present the report of the Select Committee on the Legislative Council Regulation Amendment Bill. The Bill as revised may be taken into consideration at the next meeting.

BILL TO AMEND THE ABKARI REGULATION (I OF 1054).

Mr. Thanu Pillai.—At a previous meeting of the Council I obtained permission to introduce a Bill to amend the Abkari Regulation (I of 1054). I now beg to introduce it. I will just say a few words in explanation of the measure.

Regulation I of 1054 which, as amended by Regulation I of 1055, is the existing Abkari law of Travancore is a reproduction of Madras Act III of 1864. The latter Act, having been found to be defective in reference to the improvements in the system of Abkari administration which have been successively and successfully introduced in the Madras Presidency, was amended by Act V of 1879 and subsequently wholly repealed by Act I of 1886; while our law and system of Abkari administration have remained unaltered. The system which prevails here and which prevailed in British India about a quarter of a century ago is the Farming system under which the privilege of manufacture and sale of all spirituous and fermented liquors within specified areas is sold to a farmer or renter for a lump sum determined by competition in auction. Theoretically, the number and sites of the shops and the minimum price at which liquor could be sold are fixed by Government; but in practice, the farmer opens as many shops as he chooses and sells liquor of any strength, at any price, his sole object of course being to secure the largest possible profit; and the cheapening of the price of this, so to speak, "conventional necessary" naturally tends to stimulate and increase consumption. In British India, this system is now confined to certain small areas, and the system by which it has been replaced may be described as the "Central Distillery System." Under this system, the privilege of manufacture and supply is disposed of separately from that of sale. All liquor should be manufactured in a Distillery under proper supervision, and duty is levied on the spirit, according to its strength, as it is issued from the Distillery to vendors. The number of vend shops is determined by the chief revenue officer of the District and the privilege of sale is sold either by shops separately or by tracts. The licensed vendor is bound to purchase all liquor from the Distillery on payment of the prescribed still-head charge which includes the duty, cost of manufacture and profits of the manufacturer. There are different varieties of the Distillery system, but the above are the chief and the common features of them all.

It will be observed that the most important feature of the Distillery system is that, under it, it is possible to charge a duty on every gallon of spirit that passes into consumption according to its strength, so that by a proper adjustment of the duty, it enables Government to secure the maximum revenue with the minimum consumption. Against this decided advantage must be set the scope which the system affords for illicit manufacture and sale. Under the farming system the interest of the

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farmer is enlisted for the suppression of illicit distillation and sale, and sources of information and means of detection which are not open to the most vigilant Government officials are available to him. Impelled by self-interest to put down illicit distillation within his farm, the farmer acts the part of an amateur detective, and the duty of prevention is, therefore, under the farming system pretty much left to him. Under the distillery system, on the contrary, Government could expect no assistance from the distiller or the vendor in preventing illicit distillation and sale. It is the interest of the distiller (I speak of course in the abstract) both to distil outside the distillery and to smuggle liquor outside the distillery without payment of duty. The vendor's interest too is to collude with the distiller, and being possibly an illicit distiller himself would naturally wink at similar practices on the part of other vendors. For the protection of the revenue, therefore, under this system, Government must look entirely to its own preventive arrangements and, in view of the peculiar facilities for illicit distillation which this country affords, it is of the utmost importance that sufficient safe-guards in the shape of an efficient agency armed with the necessary legal powers should be provided.

On purely financial considerations the farming system is perhaps as good as any other. It involves the least interference with the people and needs no stringent legal provisions. The existing law is quite adapted to the above system. But it is obviously the duty of the State to so regulate the drink traffic as to secure the largest possible revenue, not by increasing consumption, but by taxing the quantity required for normal consumption as high as it is possible to enforce; to see that the spirit consumed is wholesome and not noxious and that its sale is conducted under such safeguards and restrictions as are necessary to prevent intemperance and disorderliness. The first step towards attaining these undoubtedly important objects is to improve the law by making it sufficiently clear, elastic and comprehensive. Happily, we have the advantage of profiting by the experience gained in British India. There as I have pointed out, the law has already been brought into line with the demands of the most improved Abkari administration. We cannot, therefore, do better than adopt that law with the modifications which local circumstances call for.

I shall now briefly sketch the out-line of the Bill. Madras Act I of 1886 of which this Bill is an adaptation contains certain provisions relating to intoxicating drugs. I have embodied these provisions in the Bill as Regulation VI of 1063 (Opium and Bhang Regulation) does not appear to be sufficiently comprehensive. One of the effects of a stringent Abkari Law will be to raise the price of liquor, in which case the temptation to use intoxicating drugs which are far more deleterious than liquor will be greater. It becomes, therefore, necessary, both on grounds of public morality and for the protection of the revenue, to strictly regulate the production and sale of intoxicating drugs.

Part 1 which contains the definitions of the terms used in the Bill calls for no remark. Part 2 relates to the appointment of Abkari officers. The provisions are mainly of an enabling character. Part 3 deals with import, export and transport of liquor. It will be noted that provision is made for the issue of general permits, and it is also expressly declared that permits extend to and include the servants and agents of the grantees. The absence of such provisions in the present law has been a source of great practical inconvenience. Part 4 treats of manufacture, possession and sale. The prohibition contained in section 10 may appear to be too wide, as under it a license is required to tap palm trees even for sweet toddy. Section 13, however, provides for the exemption from all the provisions of the Regulation, of trees tapped or toddy drawn in pots or other receptacles freshly coated internally with lime for the purpose of the manufacture of jaggery. I need hardly say that nothing would be farther from the intention of Government than to do anything which would have the effect of repressing so important an industry as the manufacture of jaggery. I may add that soon after Act I of 1886 became law, the Madras Government, by a notification, declared that none of the provisions of that Act shall apply in any part of the Presidency to toddy drawn for the purpose of the manufacture of jaggery. Part 5 deals with duties. This is entirely new, no duty being chargeable under the farming system. Section 16 provides for the introduction of the Distillery System. The most noticeable point in this part is the provision relating to the levy of duty by way of tax on toddy trees. This may be objected to on the ground

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that it is unfair to impose a tax on trees which in this country are already taxed under the Revenue Settlement. The proposed duty, however, is not a tax on the ordinary usufruct of the tree including toddy used for jaggery, but on toddy used as fermented liquor or for the manufacture of arrack. The tree-tax system is intended as an improvement on the farming system under which, as I have already explained, it is impossible to regulate taxation according to the quantity consumed. Section 23 of the Madras Act which empowers a grantee to proceed against any person holding under him for the recovery of any money due to him as an arrear of rent has been omitted. In the first place, we have no Rent Recovery Regulation. Further, it is not considered expedient to invest Abkari renters with such powers. Even the Jenmies are not given the power of proceeding against the Kudiyans for arrears of rent. Part 6 deals with licenses. At present licenses can be issued only by the Dewan. In the Bill the Division Peishcars are empowered to issue licenses. The delegation of the power to Division Peishcars subject to the provisions of section 21 would only conduce to administrative convenience. Part 7 contains some general provisions. The first two sections (24 and 25) are more or less in accordance with the existing law. Section 26 provides for the passing of rules regulating several important matters connected with the Abkari administration. Part 8 is the most important portion of the Bill. It deals with the powers and duties of officers. The powers conferred on the Abkari officers are doubtless very large, but if any other than the farming system is to be adopted, such powers are necessary for fiscal as well as for police purposes. The severe penalties provided for abuse of powers by Abkari officers may, however, be a safeguard against the powers being used to the detriment of innocent persons. Part 9 deals with penalties. As in the case of powers of officers, the penalties provided are higher than those under the present law. Regulation I of 1054 provides only for fines: in case of default, for simple imprisonment. Under the existing law appeals from the decisions of the District Magistrates lie to the Dewan and the High Court have practically nothing to do with the Criminal administration so far as it relates to Abkari.

I would not detain the Council further. I may add that if the Council is prepared to discuss and adopt the principle of the Bill to-day, I shall move for the Bill being referred to a Select Committee. The Council will please note that as it is proposed to try the new Abkari system in one Taluk from the beginning of the next Malabar year, it would not be expedient to indefinitely postpone the consideration of this Bill.

He introduced the Bill accordingly and moved that the Bill with the statement of Objects and Reasons be published in the Gazette.

The motion was put and agreed to.

The discussion of the principle was deferred to the next meeting.

BILL TO AMEND THE STAMP REGULATION (I OF 1059.)

Mr. Thanu Pillai.—I beg to introduce the Bill to amend the Stamp Regulation (I of 1059) for which I have already obtained the permission of the Council.

I would briefly indicate the object of the amendments embodied in the Bill of which copies have already been circulated among the members. Regulation I of 1059 which is our present Stamp Law is a reproduction with the necessary modifications of the British Indian Stamp Act–I of 1879. The latter Act has since been amended by Acts I, V and XVIII of 1886, VI and XI of 1889, XX of 1890, XII of 1891, VI of 1894 and XIII of this year. Some of the amendments have no bearing on the law as applicable to this country, but others contain additions and modifications which in the interests alike of the State and the public it appears to be necessary to adopt. Opportunity is also taken to modify the law in certain other respects as I shall presently explain.

Section 1 contains the amplification of the definition of the term 'policy of insurance' introduced by Act I of 1888 and Act VI of 1894. The object is to bring within the definition of the term, 'policy of sea-insurance' and re-insurances in the case of fire as well as sea-insurances.

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